

**Memphis and Shelby County  
Metropolitan Government Charter Commission**

**Minutes  
May 6, 2010  
4:00 p.m.**

**Commission members present:**

Julie Ellis, Chairman  
Andre Fowlkes, Vice Chairman  
LouEtta Burkins, Secretary/Treasurer  
J. W. Gibson  
Linda Kerley  
Billy Orgel  
Chris Patterson  
Carmen Sandoval  
Dr. Randolph Meade Walker  
Rev. Ralph White

**Commission members absent:**

Damon Griffin  
Mayor Richard Hodges  
Richard Smith  
Jim Strickland  
Rufus Washington

**Others present:**

Bill Dries, The Daily News  
Cheyenne Johnson, Assessor  
Christy Kinard, Asst. Co. Attorney  
Jack Payne, Asst. City Attorney  
Kelly Rayne, Asst. to City Mayor  
Mayor Keith McDonald, Bartlett  
Darrell Cobbins, Rebuild Government  
Gene Torrey, City of Lakeland  
Vincent Jennings, City of Memphis  
Joann Massey, City of Memphis  
Traci Boord  
Mary Cashiola, Memphis Flyer  
Robert Santucci, CWA Local 3806  
Rick Masson, Shelby Farms Conserv.

Scott Sigman, Greater Mphs. Chamber  
Regina Newman, Trustee  
Stephen Wirls, Rhodes College  
Jim Huntzicker, County CAO  
Mike Carpenter, Co. Commission.  
Thomas Williams, Asst. Co. Attorney  
Brian Stephens, Rebuild Government  
Dexter Muller, Greater Mphs Chamber  
Joseph Sanders  
Charles Gulotta, IDB  
Paige Walkup  
Kathy Gibson, Buckman  
James McLaren  
Joann Massey, IDB

The 16<sup>th</sup> meeting of the Memphis Charter Commission was called to order at 4:07 p.m. after a moment of silence.

Chairman Ellis called the roll and announced there was a quorum (10 present).

**Approval of Minutes:** Comm. Gibson moved approval of the Minutes of the April 29, 2010, meeting. Commissioner Meade Walker seconded. Commissioners voted aye unanimously. The Minutes of April 29, 2010, were approved.

## **Administrative Update:**

Matt Kuhn: A joint meeting of the Charter Commission, the County Commission and the City Council has been scheduled for June 24 at the FedEx Institute of Technology at 4:00 p.m. This joint meeting will meet the requirements in the respective Charter Commission authorizing resolutions for a presentation prior to a final vote by the Charter Commission on the tabled charter. Suggests that members of the Speakers Bureau meet to determine how best to present the charter to the legislative bodies. The writing committee is scheduled to meet next week. Mayor Hodges' Intergovernmental Relations Task Force is scheduled to meet next week, as well as Comm. Strickland's Legislative Task Force. If there are any other task forces scheduled for next week, please advise so they can be sunshined.

Today is the 36th wedding anniversary of Comm. Rev. White.

Comm. Ellis: Today is the 4th wedding anniversary of Comm. Damon Griffin. He and his wife are traveling to New Orleans to celebrate. Again, congratulations to Matt on his wedding last week.

Please provide Christy Kinard with Word versions of all task force recommendations by next Monday. These files are critical for purposes of the writing committee moving forward. If any task forces are having quorum issues, Task Force Chairs may still bring the recommendations forward to the full Commission.

Kelly Rayne, City Mayor's Office: No updates.

Christy Kinard, Asst. County Attorney: No updates.

Jack Payne, Asst. City Attorney: No updates.

## **Report of Finance and Accountability Task Force**

Comm. Gibson: I want to thank all of the sub-task force chairs for their hard work.

### **Finance and Accounting – Subcommittee I**

John Pontius, Shelby County Government -- This subcommittee was assigned to review the fiscal year, the capital improvement program, the operating budget, general reserves, school funding with line item budget authority and audit. Both entities have fiscal years ending at June 30. There is little evidence of redundancy in the CIP programs of the City and County. Savings, if any, will come from overlaps in the combining of operating divisions such as the Sheriff and Police. The potential for savings in the operating budget will result from combining the operating divisions; and

are expected to be insignificant. The City and County have different policies relative to maintenance of reserves to provide liquidity to meet obligations and provide credit worthiness. County has additional issue that they collect property taxes later in fiscal year than the City so there would be some reserve issues to deal with. The City and County don't enjoy the same bond rating; the County's bond rating is better currently. Probably the credit agencies would look favorably on consolidation. Metro would likely achieve the higher bond rating. The subcommittee received legal advice that school funding with a line item budget authority is not possible under current law and was not considered further. Since both governments have the same year end, a combination of the two should not present a costly audit transition issue. There would likely be audit cost savings after a transition period of a year or two.

Comm. Gibson: The task force subcommittees did not go too deeply into the budgets of the county or the city. That endeavor would probably be better suited for an operations committee to decide at a later date.

Comm. Walker: Please clarify what was said about the county's bond rating. Understood that county's debt was exorbitant. Why does it have a better bond rating?

Mr. Pontius: The credit rating is a combination of several things including level of debt, availability of revenues, reserves, management; mostly has to do with sources of revenue and predictability and levels of debt.

Rick Masson, Shelby Farms Conservancy: County has a larger revenue base, therefore, predictability of revenues are better. The size of city's revenue base is about half that of the county.

Jim, Huntzicker, County CFO. The issue is whether or not the county has a debt burden that is a problem, and it does not. Currently, the county has debt of approximately \$1.6 billion. (The city's debt is about \$1 billion.) The county's debt has been coming down in the last few years. The County currently has an AA+ bond rating. The ratings address the revenues that the County has available, as well as the debt program and debt reduction program; the strength of the financial management of the county; the sustainability of the programs and the anticipation that the debt continues to come down as the program remains in place. They look at ratios, debt per capita. The bond rating agencies would consider the County's debt for a county of our size as moderate.

Comm. Walker: Is single source funding for schools still possible?

Mr. Pontius: The subcommittee did not look into that because it was limited by the legal opinion regarding what changes could be made to school funding without state legislation.

Comm. Fowlkes: Do I understand that the subcommittees looked at combining the city and county functionalities but not did get too deep into the budgets? There are some

benefits pointed out here, but will not bring drastic change. The subcommittees did not try to get into intricacies of consolidation. Mr. Pontius agreed this is true.

Comm. Patterson: Concerned that subcommittees of this task force were only charged with looking at the operating budget, but “not too deeply”. This commission has been told that we were waiting to hear about costs of services before making recommendations to decide whether services would be urban versus general. Is mildly alarmed that the task force now says it was looking at functions and costs, then decisions about urban versus general would be made later. When the public comes forward and asks if a specific service is going to be general or urban, what do we answer?

Comm. Gibson: This task force did not look to dissect the city and county budgets. This sub-committee of the task force was asked to look at the taxation structure for urban versus general service districts. We believe we have made recommendations on how to best deal with those districts in the beginning of the new charter, but none of the members of the task force were prepared to dissect the city and the county budgets or to determine costs for services. I thought the process that Comm. Fowlkes brought forward with his recommendations was the path that we were all going to travel throughout. If you recall at an earlier meeting, I plainly indicated to the Chair that my task force was not prepared to come back to the table to recommend what divisions and departments would fall under urban or general service districts. I thought the task forces would come back to the table with their recommendations as Commissioner Fowlkes did.

Chairman Ellis: The Commission will come back to this discussion after the full report of the task forces.

Comm. Walker: If tax payments were collected together and citizens did not have to try to keep up with multiple tax bills and due dates, it might be a big selling point.

Mr. Pontius: I don’t know if it would be beneficial. I was addressing the impact of property tax collection to liquidity. There probably would be fewer people needed if collection functions were combined.

#### Finance and Accounting Task Force – Subcommittee II

Rick Masson Chairman Shelby Farms Conservancy: Responsibility to look at taxation, bond issuance, fees and assumptions. This subcommittee took a narrow perspective relative to the task. It was decided to look into the finance area and provide tools that could be used by the task forces that delved into criminal justice or libraries, etc. to determine whether those services would fall in an urban services district or general services district. The focus was to provide tools for making decisions, and make the final determination or recommendation in the full commission.

Recommendations:

1. Property tax levy

- a) Metro council will levy property tax for general services district in two parts: general tax rate and school tax rate.
- b) Any tax rate higher than 10% of the previous year's rate shall require approval by two-thirds of metro council
- c) The urban council shall levy property tax for the urban services district. If City of Memphis is required to fund the city schools, the council will levy the property tax in two parts, urban tax rate and school tax rate.
- d) Any tax rate higher than 10% of the previous year's urban services district tax rate shall require approval of the urban council by two-thirds vote.
- e) The proportional amounts between the general and urban rates as initially established will be frozen for three years or until consolidation is fully implemented, whichever comes first. These recommendations could impact the bond rating because it would hamper the metro's ability of new metro collect by a certain date.

2. Property tax collection

- a) The metro government shall create an agency, the head of which shall be the metro trustee.
- b) The metro trustee shall collect all real, personal and privilege taxes due to metro government for both general and urban services districts.

The county tax rate, which would become the general services tax rate, would move the delinquency date from Feb. 28 to the city's delinquency date of Aug. 31. It would accelerate the tax payments for the taxpayer. While it may be simpler to have one tax due date, it would require payments earlier in the year. It could also cause a significant cash flow issue if the August date were to be used. The subcommittee recommended that the metro keep the current system with the urban services delinquent date would mirror current City's due date and general services would mirror the county due date.

3. Bonding Liabilities

- a) Metro council shall have authority to issue bonds.
- b) Issuance of bonds shall not be subject to approval of voters.

- c) Bonds may be issued for either the general services district or the urban services district.
- d) The following limitations on the issuance of general obligation bonded debt shall be applied separately for the general service district and the urban service district. The new general obligation debt cannot be issued if the outstanding general obligation debt after such issuance would exceed 12% of the most recent annual property assessment for all property (county or urban district)
- e) Current City of Memphis debt will be retired from the urban services district. (The debt of smaller municipalities that are part of the urban services district by appendix shall be retired from the tax rate of that smaller municipality.
- f) The current Shelby County debt will be retired from the general services district
- g) There shall be a general services district debt service fund and an urban services district debt service fund for the amortization of general bonds and urban bonds respectively, including bonds issued prior to the effective date of the new charter.

#### 4. Fees

The task force should look at combining some office functions between the metro trustee and the metro county clerk and/or other charter officers or constitutional officers.

#### 5. Assessment of property

- a) The metro assessor, elected for a term of four years shall be the metro tax assessor.
- b) The metro tax assessor shall make ad valorem and other privilege tax assessments for both the general services district and the urban services district.

Comm. Patterson: What is the impact of consolidation for the tax rate of someone who does not currently live in Memphis, the county tax rate?

Mr. Masson: Yes, it really depends on -- we provided the finance tools for and ultimately the Commission will decide what is included in the urban services taxing district and what is included in the general service taxing district and that drives what the rate will be.

Comm. Patterson: If we came up with a framework possibly a month from now, and we provided a list of 100 services to be provided by the city and the county, some to be moved to one column or the other, and draw a line down the middle; here is the tax rate for the urban and here is the tax rate for the general services -- is that something that is possible?

Mr. Masson: I think you could do it. There is a lot of subjectivity. The sense in many parts of the community is that we have gone to a vending machine perspective of government services and that is not really how government services were intended to be. There are services that are provided (Ex. Health Dept.) that while I might not use the clinics, I am happy that the services are there for others and indirectly, I am served by it as well because children are inoculated, restaurant employees are inoculated; restaurants are inspected; my employees can come to work and they are healthy. How do allocate that? It is certainly not something that if I don't go to clinic, and therefore, I don't get that service. It is not that simple. Ultimately, making the determination of the costs for urban services and general services is a decision that this commission will make. There was a formula for fairness that was distributed several years ago as part of the "tiny town" discussion where we tried to quantify what are urban services and what are general services. Ultimately, you will indicate your best case and then it is up to the voters to decide finally. Government services are not private goods; if government services are evaluated as private goods, it will not work. There is a reason why government provides these services because there is no market out there. The supply and demand model does not work for government services.

Comm. Patterson: It is a challenge for this commission to weigh these equities as to whether a service should be a general or urban one. I think it was Mayor Joyner that spoke a couple of weeks ago and said that two percent of his residents avail themselves of the Health Dept. Essentially, he said that not many people in Collierville are using service X and the implication was that they should not be charged for service X. If this commission can get to the point where we have made those decisions, where we have tagged the Health Dept. as a general service, irrespective of Collierville not using it very much and we decide that for all of the services, are there resources that can put together some relatively accurate determination as the impact of assigning each of those services, general or urban, what the impact of that is on the taxpayers?

Mr. Masson: You could talk to your two finance directors; there are budget documents that could provide that. It is equally important to decide how services are changed in the future; how things change from an urban service to a general service. If you could provide a mechanism for that to happen, recognizing the restraint that we have given you which is when you establish it for the first year, the ratio is frozen for three years, then the body has an opportunity to work it through and maybe determine some of the more difficult services like health services and public transportation.

Comm. Orgel: In Nashville, the urban services district rate is about \$4.13 (total); and the general is approximately \$3.56. Do they pay -- if you live in the city, do you pay -- like if you live in the City of Memphis, you pay the county rate and the city rate? In

Nashville, do you pay both if you live in the city? So, if you live in the City of Nashville, the urban services, do you pay the \$4.13 plus \$3.56 out in the county?

Chairman Ellis: Their total is \$4.12, but that is all they pay. And we pay \$7.00. \$4.02 and the city is -- It (Nashville) is half what we pay.

Mr. Masson: We looked at this from the standpoint of providing tools, the finance tools by which these decisions could be made and general restrictions on them. We did not look at the Health Department or the library services. We assume those would be looked at by the respective task forces.

Comm. Sandoval: I want to go on record as the chairman of the health services task force that we found no municipalities to have health care organizations. It is important to educate the public about the services of the Health Department. The Health Department is much more than just health clinics. We did not have a large H1N1 outbreak in this community because of the immunizations provided by the Health Department. We are grateful that children are receiving immunizations so that we don't have TB or polio in this community. The residents of the municipalities enjoy going to restaurants and we are very grateful that those restaurants are being inspected by our Health Dept. Children can go to day care centers that are inspected by the Health Dept. When the suburban municipalities say that only two percent of their population is using Health Department services, let's educate them about the services they are receiving because we are not giving credit to the services being offered by the government. This is the time to really learn about what services the county, the city, the municipalities are providing. We are getting a lot of services that we take for granted.

Comm. Ellis: Mr. Masson, you mentioned the allocation of costs. Please provide that report to us, the report on the "tiny town" allocation. Mr. Masson will provide the information.

Comm. Fowlkes: Getting back to the subcommittee's scope, with regards to comments on the retiring of county and city urban and general debt services under the bonding liabilities and then creating a new metro urban and general -- can we talk about how things look on the city side in conjunction with the county side and if you were to bring this together in comparison to the assets versus the liabilities, could we increase our buying power by the functionality of consolidation?

Comm. Masson: Going forward, number one, the law says you have to have the urban services district assume the debt of the municipality. It is also fair in the sense that that entity, with their elected officials, entered into that debt. It seems equitable that that geographic section of this new metro government would be responsible for the debt that they incurred; but going forward, rating agencies are looking at management, debt structure, demographics of being able to pay. When you go outside the City of Memphis, you are picking up valuable property, so you would have a greater ability to pay debt. The bond rating agencies are making a statement on management because that is factored into their rating, but ultimately, they are trying to determine if this new



entity can pay back. If you pick up a lot of wealthy areas, then obviously, you are going to have a greater ability to pay back the debt because of your improved tax base. There will possibly be a sticking point will be if you have a police precinct inside the urban services district that you want to finance with bonds, technically you would want to pay that back from the urban services district. Ultimately it would be responsibility of the whole metro government. It may be difficult going forward, trying to make the determination for wiser, global decision-making relative to a better rate versus the decision of equity associated with the police precinct inside urban services district.

Comm. Fowlkes: Going forward, this could be a good thing. Moderate sounds good, and possibly the new metro government could take on more debt because you are not in a high risk credit category. Perhaps some infrastructure projects that haven't been tackled previously could be financed because of the enhanced and improved tax base.

Comm. Walker: I was thinking just the reverse of Comm. Fowlkes. In the Detroit and metro area they are currently shrinking services. Even the previously affluent suburban areas of Detroit are now having record foreclosures. The affluent suburbs are going down with Detroit.

#### Finance and Accounting Task Force – Subcommittee III

Comm. LouEtta Burkins: This subcommittee of the Finance Task Force looked at information technology, communications and public records; dealing with the technical systems across the metro government, the information technology and the storage of public records.

County and City Departments of Information Technology, records management, archives and communications operate separately. The county does maintain some of the city's records. The public records commission exists today and is required by statute. Currently archives falls under the Register's Office. The city and county governments store records in multiple locations. The county has a dedicated records management department; the city does not. Each department of the city is responsible for managing their own records. Some elected officials manage their own IT systems and their records departments, including the Sheriff and some judges. There are some difficulties with retrieval of documents stored in multiple locations.

1. The metro government mayor would appoint a chief information officer who would be responsible for IT functions throughout the metro government. The appointee must be confirmed by the metro council and have minimal qualifications including a B.S. in computer science and/or information technology; MBA preferred; plus several years of increasingly responsible management experience in the field. Recommends metro government will have merged information technology services via service level agreements with elected officials and department heads.

2. Public records and archives should be placed under the duties of the Metro Register. There would be a metro records management office and a metro archives office.
3. A metro public records commission would be created by the charter with at least six members to be appointed by the mayor and confirmed by the metro council.

#### Finance and Accounting Task Force – Subcommittee IV

James McLaren, Attorney with Adams and Reese: This subcommittee looked at special taxing districts, bond agencies/authorities. We were charged with looking at entities like the Industrial Development Board that have the ability to issue debt or make loans on their own behalf and determine whether those entities should be consolidated or eliminated and how to handle them in forming the metropolitan form of government. We have organized a chart so you can see how each board or commission is organized, their general purpose and a description of what they do. Some of these boards are city boards, some are county and many of them were jointly organized by the city and the county. We have also laid out the authority they have, including whether they have the authority to do PILOTs, TIFFs, or can issue debt. Many of the statutes under which many of these boards and commissions were organized have specific provisions in their charter that say that they cannot be dissolved as long as they have outstanding debt. The debt that most of these boards and commissions have is not debt for which the city or the county is liable. Because of the way some of these entities were organized and the statutes under which they were organized, there will be issues if there is consolidation and the metro form of government is created. For example, the parking authority of the City of Memphis and County of Shelby is organized under a statute which does not apply where there is a metro form of government. The Port Commission and the Airport Authority are organized under statutes for a port commission and an airport authority respectively for counties where there is no metro form of government. There are specific statutes for port commissions and airport authorities where there is a metro form of government. The Memphis Riverfront Harbor Commission and Improvement Districts, both of which are permitted under the Shelby Code and we are recommending that those not be continued. They are not in place today and have not been used for some time. They both resulted from very old enabling legislation.

There is a Memphis Housing Authority and a Shelby County Housing Authority. It is recommended that they be merged since they have the same mission.

Recommend the consolidation of the City Health and Education Board and the County Health and Education Board. Both have similar missions and were created under the same authorizing legislation. The City Health and Education Board currently has a PILOT program.

The Industrial Development Board, Center City Revenue Finance Corp. and the Depot Authority are all created under the Industrial Development Board Act and it is recommended that they not be consolidated. These boards have separate functions

and different missions. The Depot Authority has very limited authority and is focused on the redevelopment of the Depot. The Industrial Development Board's focus is on industrial development on projects that bring jobs to the city and the county. The Center City Revenue Finance Corporation's territory is limited to within the parkways plus the fairgrounds and its mission and authorities are really limited to those areas and their focus is on redevelopment of those areas.

The Memphis Area Transit Authority, the Memphis Brooks Museum of Art, the Memphis and Shelby County Sports Authority and the Memphis and Shelby County Redevelopment Agency should continue in existence. Some consideration should be given to functional consolidation. For example, the Center City Commission, Center City Revenue Finance Corporation, Downtown Parking Authority and Central Business Improvement District are all managed by the same staff at Center City. Another issue that was raised is what technically happens with adoption of a metro charter. The statute under which a metro charter would be created was adopted in the early 1960s; at that time, most of these entities did not exist and the authorizing legislation did not exist. The charter statute does not adequately address what happens to these boards and commissions. The commission and/or the new government needs the freedom to create entities like these, and but not tie the entities to the charter specifically. There is some question if the metro government is created, whether these entities would continue to exist. There could be a very easy legislative solution and it is recommended that that solution be sought to assure that technically these entities would continue to exist and will be deemed to have been created by the new metropolitan form of government.

Comm. Gibson made a motion to accept the Finance and Accountability Task Force recommendations, seconded by Comm. Patterson.

Body voted unanimously to approve.

Chairman Ellis: The Chair acknowledges the issue relative to the need to determine which services are urban versus general. The task forces reviewed areas without financial data or information, so were not able to identify urban versus general without that nexus. I think we have to look at the forms of both the Nashville and the Jacksonville charters and at the other issues with the way general and urban service districts have been dealt with in charter language. Some of that information has been provided to Comm. Gibson; all commissioners will get copies and the executive committee will address this issue and make a determination on an appropriate way to come up with recommended language for the writing committee. All task force chairs are invited to participate.

Comm. Sandoval: Suggest that all services be listed in a chart. Perhaps all of task force chairs could come up with a list of services provided in their areas and get the city budget and the county budget and try to map where the services are coming from so that we can see it in a table and start putting the pieces together. Maybe a subcommittee could be created to make a start on this effort.

Chairman Ellis: Nashville and Jacksonville very clearly identified the services provided under the urban services districts and the general service districts their charter. It primarily tracks normal county services, normal city services and then provides, going forward, for the ability to modulate that, subject to safeguards in the charter.

Scott Sigman, Greater Memphis Chamber of Commerce: Nashville's charter has a breakdown by general services districts and urban services districts. A copy was provided by commissioners back in February. The Memphis and County budgets were also provided. The commission will have to make some assumptions about proportions and some of the differences between one community and another. That is why we have provided background data for our own community, peer communities. As Mayor McDonald mentioned, Jacksonville has multiple general services districts.

Comm. Patterson: This issue has been brought up over and over and over. People who live in Germantown and in the unincorporated areas, and live outside of Memphis are constantly asking, how is this going to impact my taxes? When I look at the chart that breaks down the tax rates for other towns and counties (consolidated) and I look at Nashville-Davidson -- they pay a total of \$4.13. Memphis residents are paying over \$7.00. What is it that Memphis residents are getting for \$3.00 that Nashville residents apparently don't need? I have a chart that indicates we have 36,000 government and school employees compared to Nashville's 19,000 government and school employees. I mentioned last week my objection to writing in the charter that everyone should keep their jobs. We have 36,000 employees and are paying \$7.00; Nashville has 19,000 employees and are paying \$4.00.

Mr. Sigman: We also provided data on population from the 2000 census, including for peer cities, the relative cost per capita. We tried to provide some guidance for costs of provision of public services. We expect to have a draft of the expenses per capita of other municipalities coming in pretty soon.

Comm. Patterson: That data will be helpful, but the big picture is that we have got a lot of people working for the government and it is killing us on our tax rate. I may try to convince this commission that perhaps we should remove the language that everybody would keep job. The new metro government should have the ability to dial back employment. I am not sure that we need almost twice the number of employees per resident as Nashville residents do.

Comm. Walker: Commendations to the committee on finance and accountability, particularly group three who provided very specific qualifications for the Chief IT person and addressed my concern about the chief HR person. In discussions with others in community, they also are concerned about the chief financial person; The CFO should not be political position; it should be someone with specific qualifications and these qualifications should put in same specific qualifications for other department heads; something to make sure we get qualified people.

Chairman Ellis: We need the information from Rick Masson; we need both budgets (city and county). We do not know in some of these task forces what the service was, how it is being paid for today. We need to know that so that we do the chart very clearly and compare. We need look at Nashville's charter as a guide, look at the Nashville budget and then come up with proposal and it would be helpful to have the task force chairs work with the executive committee and bring it back to the commission. Will start the process at our executive meeting on Monday as well as start the executive branch review.

## **Report of Economic Development Task Force**

Comm. Orgel: This task force was assigned to assess and recommend how to enhance and deliver enlightened strategic community planning and economic development and recommended they be dealt with separately under the new metro charter. The recommendations of the task force were proposed to ensure successful economic development, smart growth generating new business, jobs and improving wages and income. The task force evaluated all applicable departments, boards, commissions and authorities which have planning, community development or economic development functions currently and spent much of its time reviewing improvements to existing economic development programs. Economic development "fosters tolerance of diversity, social mobility, commitment to fairness and a dedication to democracy."

### **Recommendation:**

1. Create a Department of Economic Development in the interest of ensuring metro government optimizes opportunities for job creation, attraction and retention of talented individuals, continuity of the livable community, an inclusive society for building trust and relationships, economic integration for an innovative economy; and a collaborative governance where leadership fosters collaboration to achieve targets results.
  - A) Establish an Office of Economic Development that would include those boards, commissions and agencies whose purposes are to grow business, jobs, individual incomes and wages that would operate under the coordination, accountability and administration of the Department of Economic Development. Advisory boards may be created as needed. Included under the Office of Economic Development would be the Industrial Development Board; the Depot Redevelopment Authority; the Renewal Community Office; the Port Commission; the Workforce Investment Network; the Film and Television Commission; the Music Commission; the Sports Authority; and the Convention Center Commission. Some of these boards such as the Airport Authority are not authorized under a metropolitan form of government and would require a change in the legislation. If legislative authority is received to create an Airport Authority, it should operate as it currently does.

Comm. Fowlkes: Very good to establish a Department of Economic Development but has to make sure the department has the tools to really drive home real innovation and development opportunities. I sent Comm. Orgel some information about economic development in a sense of a "rising standard of living for the majority of citizens and how more often than not, it fosters greater opportunity, tolerance of diversity, social mobility, commitment to fairness and dedication to democracy; really broadening the scope of how many people may view economic development. Do we need to get specific? Should we actually state more direction in the charter language as to what they should be doing, or should we just leave it for the metro government. Example: There were some attributes -- I am not sure whether these things would actually be listed in the charter -- it starts at the top with "job creation, attraction and retention of talented individuals, liveable communities, inclusive society, economic integration, collaborative governance." Are we planning on stating this to give direction or not?

Comm. Orgel: We solicited a lot of comments and I don't think we were attempting to write the actual language. I think we were attempting to make a recommendation and give a general feel and recognize that those are some of the results of good economic development activity by a government.

Charles Gulotta, Industrial Development Board: Some of these concepts are embodied in the Sustainable Shelby effort where we try to include sustainability in our industrial development and economic development incentives and we try to do that with lead certified building incentives and we try to do that with prisoner reentry incentives and environmental commitment incentives. The thoughts are good and we are slowly working a lot of these into the normal cycle of business.

Com. Fowlkes: So, these things would be carried out regardless?

Mr. Gulotta: We are incorporating a lot of these ideas into our normal scope of business right now.

Comm. Gibson: There has been a lot of conversation about the Port Commission and I believe was previously another recommendation to make the Port Commission an authority. Experts were invited to the table to garner their points of view. Relative to the Port Commission, there was lengthy conversation and difference of opinion as to what should happen relative to the Port Commission. Dexter Muller is here today from The Greater Memphis Chamber and has had historical perspective that I think is worthwhile to hear as we debate whether or not this ought to be left as a Port Commission or become a Port Authority.

Chairman Ellis: Because we have transportation functions, there was a view that the Port Commission proviso under the metropolitan statute was for purposes of operating transportation functions. It really is an economic development type of authority. I think we will have to align those recommendations.

Dexter Muller, Senior. Vice President, Greater Memphis Chamber: A number of years ago, the Port Commission approached the City Council about becoming an authority. At that time, the City didn't want to make it an authority. The Port Commission was seeking it primarily having to do with the development of the Frank Pidgeon Industrial Park. Even though the land in the Frank Pidgeon Industrial Park is owned by Memphis and Shelby County Governments, the Port Commission is the manager of those properties. Any time a prospect is taken to the Port Commission, there is an arduous process to go through on the sale and transfer of that property. There are probably multiple solutions. The first solution is and one of the benefits of this configuration under the recommendations for the economic development department is the first one is the Office of Economic Development which Mr. Gulotta handles; he also handles the Industrial development Board. The third item down there is the Depot Redevelopment Agency which really is the same kind of function; land development, management of property kin of function. That is the same function that ought to be in place for Frank Pidgeon Industrial Park. If you look at the functions of the Port Commission, they have several different functions. The first one is the transportation function. It is the security of the port, the dredging of the harbor; all of the Port operations. Those ought to stay with whatever this new entity is going to be, the Port Commission, the Port Authority. The land development and the economic development portion that is currently performed by the Port Commission, in my view, could logically be included with the department of economic development. Now, the question of whether you then need -- if that is in fact a reassignment of that function for Frank Pidgeon Industrial Park development, then the question becomes for the remaining functions that they have, does it need to be an authority or a commission. I am not sure that I can speak with a lot of authority about what they would want to do that they cannot do with a commission. It does affect things like some of the purchasing, whether they issue bonds and whether they have the authority to issue bonds without going to the metro council. I think maybe the way to work through this is, since you have already had a lot of dialogue about it, is if you are in agreement that you ought to move the land development function in with the Department of Economic Development, look at what is left and then decide what you can or cannot do under a commission versus an authority.

Comm. Orgel: If it remains a commission, and goes into the charter as a commission, can it later become an authority?

Robert Rowling, Assistant County Attorney: Yes, on that question, there is also a provision for a metro port authority. It is already in the state law.

Chairman Ellis: So we have the flexibility for the new government to make that decision if we don't make it initially in the charter.

Christy Kinard, Assistant County Attorney: I thought you were asking about the currently existence of the Port Commission. It was created by a Private Act.

Comm. Orgel: I was asking about if, in the future if the charter is approved and we have this piece in there and under the Office of Economic Development, we have Port Commission as it is currently constituted, could we later, because State law allows it, could we turn that into an authority.

Ms. Kinard: Yes, if you write the Port Commission in -- which because it is created by a Private Act -- the metro statute says you have to write it into the charter or it is left to the legislative body to decide what to do with it. So, if you write it into the charter, and then later you want to change it a Port Authority, then the charter would need to be amended to remove the existence of the Port Commission.

Comm. Orgel: Would that require a vote?

Ms. Kinard: Yes, to amend the charter, yes, voter referendum would be required.

Chairman Ellis: Or allow that flexibility in the charter as we have anticipated with other commissions and boards.

Ms. Kinard: Or write in that it exists until such time as there is a Port Authority created.

Comm. Orgel: To the writing committee, we probably want the flexibility going forward, based on Comm. Gibson and Mr. Muller's comments.

2. Establish a department of planning and community development to include Office of Planning; Memphis Landmarks Commission; Community Redevelopment Agency; Land Use Control Board; Housing and Community Development; Housing Authority (city and county entities merged); Health, Education and Housing Facilities Board; Center City Corporation, Center City Development Corporation; Center City Revenue Finance Corporation; Office of Construction Code Enforcement; Downtown Parking Authority; District Design Review; Board of Adjustment, Adult-oriented Establishment Board; Beer Board.

Chairman Ellis: We have a need to recognize neighborhoods and really, as we do everything from legislative drawing of areas, neighborhoods are critical. I know that neighborhoods have probably not been at the table, but if there are neighborhood groups with experience in any aspect of the operations of these agencies, that we get guidance and input and we should solicit comments from the community. I am very mindful, having reported out Task Force 10 last week, and not including employees, that I want everybody at the table and I want everyone in this community and the greater metro area and this entire county to know we are not cutting off any input.

Comm. Orgel: What is good for the consolidated government is also good for the six municipalities relative to economic development. It needs to be coordinated with them. Some things are going to be handled by metro legislative body on how they are constituted, but it is important that there is going to be an economic development commission and it will include people from the six surviving municipalities, as well as the



Airport Authority. The City of Memphis does not operate in a vacuum, Collierville, Bartlett -- we are all interconnected. The municipalities have done a pretty good job keeping their tax rates low, property values high, attracting jobs, attracting people and the consolidation government can learn something from the six partners because they are doing a lot of things correctly.

Comm. Fowlkes: I cannot emphasize enough the power of economic development and what this can mean for the new government and the area and I strongly recommend that we put language in the charter to give direction to this new department to not only do what they are currently doing relative to economic development, but give them the ability, but also to write it in the charter to make sure they have the tools and resources that they need to not only work with the municipalities, but work with all of the organizations that provide resources to businesses, work with other parts of government such as public betterment and amenities to improve the park system. Remember, that is economic development; to get into the communities and work with the youth development. We are only scratching the surface with the current programs. We are creating a new department right now. It would be wise to put the language in there to make sure the focus is broader and we provide the resources they need. I am not suggesting putting in every little intricacy, but we should put more language into that broader scope of how economic development is really almost everything that we do. We need to put some of these things in the actual charter language. The director of this department should always been seeking out economic opportunities, not only in the public sector, but also the private sector, the non-profit sector and also keeping the pulse of the sentiments of the citizens. Also looking at how does this economic development department, how are they going to be intertwined. Planning and sustainability work one off the other. I am hoping with the right vision and with the new government personnel, we can create things that can maybe refill back in that current doughnut (of economic development in the City of Memphis). That is something that is called intra-metropolitan population redistribution where you get many people to start moving right back inside of the city limits.

Chairman Ellis: Is it acceptable that we take your strong recommendations to the writing committee as we have others and we will bring back as much as possible with the guidance of John Ryder and Christy Kinard?

3. Workforce -- recommends the alignment with prior task force approvals that the work force be comprised of at-will employees to enable optimal functional personnel flexibility.
4. Resource Management -- All fees, income, grants and other financial resources generated by the various individual entities shall be prioritized for use, where not otherwise restricted, to fund purposes, operations and opportunities within Economic Development as well as Planning and Community Development. For operational efficiency or optimal delivery of services, or for other purposes, the charter shall enable and allow for dissolving or consolidating divisions,

commissions or functions that are the responsibility of economic development, planning and community development.

Comm. Walker: I know that we are not including the schools, but I think somewhere -- I think it is impossible to have economic development without education. I think we need to include some language that the task force recommends "alignment with educational excellence and prior task force approvals." We need to say something about educational excellence, that we are stressing that this part of the posture of this new government. This is not necessarily a public school issue. This is more a wholistic issue. We are talking about higher education; we are talking about trade schools; we are talking about public and private, vocational schools. Education needs to be recognized in this document as a premium for everybody to accomplish economic development. An educated workforce is critical.

Mr. Gulotta: That is probably the most critical economic development factor in the world today.

Scott Sigman: Speaking to that Workforce Investment Network, it is a training program for the workforce more so than education; the programming is focused on real world skills.

Comm. Orgel: Mr. Huntzicker says that because of the way they we bond certain things like Center City Refinancing Corporation, or the Sports Authority with their bonding, we cannot throw together in one bond because of their special purposes. There is no great synergy to be gained by combining some of these organizations. If certain commission or authority had excess funds, and something needed to be done in a neighborhood, unless there is a restriction against it, the funds could be used as needed.

Comm. Orgel made the motion to approve the recommendations of the Planning and Economic Development Task Force, with the inclusion of the comments by Comm. Fowlkes and Comm. Walker; seconded by Comm. Fowlkes.

Body voted aye unanimously

## **Writing Committee Report**

John Ryder, Writing Committee: We held the meeting of the writing committee today. The chairman has appointed the following members to the writing committee: Julie Ellis, Damon Griffin, Chris Patterson and Jim Strickland. You will notice they all have law degrees. The staff that will be supporting the writing committee consists of myself, Jack Payne, Christy Kinard, Carter Gray, Fred 'Skip' Jones and Dr. Stephen Wirls from Rhodes College. The procedure that we propose to follow is that we have prepared a rough outline of a metro charter, primarily using Davidson County as a basis. We will take the task force recommendations as adopted by the full commission and each one of your commission members who is a member of the writing committee is responsible

for one or more of those task force reports for the drafting of that and integrating it into the overall template of the metropolitan charter. Then a master editorial committee consisting of Brian Kuhn, myself, Dr. Wirls and Christy Kinard will try to smooth out the rough edges and make sure that the language of one section is consistent with the language in another section. The different task forces have adopted recommendations which overlap in terms of governmental functions. Where there are inconsistencies that cannot be resolved, we will bring those back to you as a commission and you will have to make the final decision on how to resolve those inconsistencies. Our timeframe is such that we hope to have all of the task force recommendations in a drafted form to us by May 20 and we hope to have a draft for discussion purposes within the committee by May 26, which should give us time then to smooth things out before the joint meeting with the City Council and the County Commission on June 24. May 26 will be our first look at the fully integrated charter, trying to take in all of the task force reports and recommendations as they have been adopted by this commission and it will take some work after that point to resolve inconsistencies and to smooth out the language.

Chairman Ellis: One of the things we will be doing as we meet and review, is bringing things back for guidance to the commission so that it is not a six hour meeting. You didn't use your airplane example. I think the commissioners should know exactly what the smoothing out is.

Mr. Ryder: This is apropos of Comm. Fowlkes' concern for the Film Commission. One of the editing jobs in film is the continuity editor who makes sure that all of the anachronisms are edited out so that when you are watching a cowboy movie, you don't have a jet airplane going across the background or in Ben Hur, they are not wearing a wristwatch. So, that is what we are going to try to do, is be your continuity editors for you all.

Comm. Gibson: As we go through the process of writing the charter, are we going to have an opportunity to ask questions of the constituents such as do they want the head of the law enforcement department to be appointed or elected? Will we have an opportunity to pose those kinds of questions?

Chairman Ellis: Based on the decisions that we have done here and go to the writing committee, we will have our first real indication of some of those additional questions that we think we might have resolved by our own decisions from the County Commission and from the City Council. At that point, we would take that same document and go to the public with three or four public hearings. We are trying to schedule those in schools the whole month of July. Then we would certainly get indications of interest or direction or redirection and at that point, we will have meetings in which we will resolve things that we don't believe have a chance, even though we might have thought were the best ideas; it is good governance; it is going forward; but it isn't going to work and that is what Mayor Goldsmith called the "politics of the possible," and that is literally what we have the biggest part of our last month is going to be analyzing that. It is going to be incumbent upon each of us and our City Council and our

County Commission to seek out the best public guidance that we can get. Sometimes, until you see what the recommendations are, you don't exercise your right to comment.

### **Task Force 10 Update and Task Force Assignment Clarification**

Chairman Ellis: We have city and county counsel that are working free for us and they are amazing and I consistently say thank you to Christy Kinard and to John and to Jack and to Kelly and Robert. It is an additional job for them for which they are not being compensated. This commission is not being compensated and we want to get this right. Task Force 10 did not have quorum and we will amend Task Force 10 to indicate that both Comm. Fowlkes and I jointed the task force. Let the record show that there are now five members on Task Force 10: Comm. Sandoval, Comm. Gibson, Comm. Ellis, Comm. Fowlkes with Chairman Kerley. We need to reopen task force 10. I think we need to make sure we all understand what the recommendation was and we need to involve our employees. We will try to schedule meeting Tuesday afternoon to clarify some of the language, to clarify some of the language so we can get best input and come back with a clarified recommendation. All commissioners are welcome; hopefully at 2:00 on Tuesday, somewhere in this building. All of the employees who attended, we would really like information on email addresses so we can let you know, but we are going to try to get word the out.

### **Items of Discussion for Next Meeting, May 13**

Chairman Ellis: Comm. Strickland has advised that because he is working with a demographer, the Legislative Task Force recommendations for the districting will probably not be until May 20. That is a week beyond when we hoped to finalize our task force recommendations, but this is a task that very clearly should be done as professionally as possible. There may be a cost from the demographer and Comm. Strickland will advise. There also may be a need to expend funds for writing consultants. On Monday at 4 p.m., the Executive Committee will meet. We will be tabling the issues relative to the executive branch. We would like additional participation from the task force chairs. We have talked a great deal about qualifications. We have talked about departments and some of the guidance that might be helpful to the writing committee will come out of the task force chairs that have participated in the governmental functions to participate on this issue. If you will be able to attend, please let me know by email. The suburban mayors are invited to participate.

### **Comments from the Public and Organizations**

Ms. Kinard: You amended Task Force 10 to add yourself and Comm. Fowlkes as members, so now you have five members on that task force. So if you are having quorum problems before when you only needed two members, you now need three members present for quorum on that task force. If any of the task forces are having

quorum issues, let me know. You need a majority of your members. We tried to limit members to each task force to three so you would only need two people for a quorum and in the event that a task force cannot get quorum to vote on their recommendations, when you present your recommendations to the full commission, but let the commission know that on the record and the charter commission can proceed with the recommendations without objection.

## **Other Business**

Comm. Walker: Last week we endured a great insult from a gentleman that came and filmed and I specifically invited him back and he is nowhere to be found and today, Wendy Thomas wrote an article on cynicism in our city and county with the paltry turnout in the recent election. This is an example that we find people that will come and grandstand for a moment and then they are gone. I just wanted to tell my fellow commissioners that I think we are doing a great job and I don't think we ought to let detractors discourage us. And I appreciate Mayor McDonald and others who have consistently come, didn't just come for one issue, but has consistently been here and been part of the process and I appreciate that very much.

Chairman Ellis: I want to thank the gentleman that came to our task force meeting and he is back tonight and he sat there very patiently the whole time and he is going to participate with us as soon as we get the Task Force 10 meeting scheduled. Those are the kinds of people we need to help us.

Comm. Kerley: I just want to make one statement. I think I would be remiss if I didn't state Comm. Ellis' part in trying to make sure that everybody is always invited, everybody has knowledge of these meetings, everyone knows where the email listings are; everyone knows how to contact us and I think she might have been unnecessarily beat up last week and I am sorry for that. I don't think you should take any accountability or think that you did anything wrong in not specifically inviting certain groups of people. There is no way you are going to ever catch everybody. If they have an interest, it has been in the newspaper. We are very fortunate with the local newspapers, the metro newspapers and I think you have done an unbelievable job in bringing as many people as you have from around the country to give us best models. You have taken on the cross of that and I don't think you deserve it.

## **Adjournment**

Meeting adjourned at 6:21 p.m.